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DAILY NEWS

EPA Budget Memo Details Plan To Eliminate IRIS, Risk Programs In FY18

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EPA is proposing to eliminate its influential Integrated Risk Information System (IRIS) program, as well as a host of other risk assessment related programs in the agency's toxics and research offices in fiscal year 2018, according to a memo detailing how the agency plans to implement the administration's budget request.

The administration also plans to make significant cuts to the agency's pesticides program, which the memo suggests can be offset by current and future user fees that Congress is expected to reauthorize this year.

EPA is poised to begin a "comprehensive look" at all of its programs and responsibilities as it works to implement the Trump administration's 31 percent budget cut for fiscal year 2018, according to a March 21 memo from David Bloom, the agency's acting chief financial officer, detailing how officials plan to implement the president's budget request across EPA.

"This resource level will require taking a comprehensive look at our priorities and thinking differently about the best ways to accomplish our core statutory responsibilities," he says.

The memo, first reported by the *Washington Post*, calls on top agency officials to detail "those activities that will be supported, reduced or eliminated," so that the agency can develop the congressional justification for its budget.

The administration's FY18 budget request seeks to cut EPA by more than $2 billion -- or 31 percent -- compared to FY16 levels. While some details of the request have been known, such as its plan to cut the Office of Research & Development by 43 percent, many of the program-level cuts have not been spelled out.

But Bloom's memo provides a comprehensive look at what the budget request will mean for scores of EPA programs.

For example, the memo indicates that the administration is proposing to completely eliminate the IRIS program -- an influential but often controversial program because of its often strict assessments of chemicals' risks, and EPA's usage of IRIS dose-response analyses for setting standards and other decisionmaking.

The memo indicates that the administration proposes dropping the research office's human health risk assessment portfolio by $5.6 million and 105 full time equivalent employees (FTE) in the FY18 budget. "This change reflects the elimination of the IRIS program and the re-focusing on core statutory obligations," the memo states.

The proposal is not surprising, as IRIS has been long criticized by regulated entities for the stringency of its assessments and has been on the Government Accountability Office list of programs at "high risk" of waste, fraud or abuse for its inability to produce assessments in a timely way.

The budget memo also indicates a significant reduction in the agency's Science Advisory Board (SAB) budget that is presumably related to the proposed elimination of IRIS, as one of SAB's subpanels is devoted to reviewing IRIS assessments.

The FY18 budget proposes cutting $542,000 from SAB's funding and eliminating 2.9 FTEs "to reflect an anticipated lower number of peer reviews," the memo states. The memo indicates that SAB's FY16 enacted funding level was $646,000 with 21.9 FTE.

Proposed Cuts

EPA's budget memo indicates a series of cuts to the Office of Pesticide Programs (OPP), though the memo indicates that some of those cuts are likely to be offset by industry-financed fees authorized by the Pesticide Registration

Improvement Act (PRIA).

The program has long provided EPA with authority to collect fees from pesticide manufacturers to ensure efficient and regular registration of new products, as the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA) requires before new pesticide products can be used in the U.S.

For example, the memo proposes a $5.7 million and 31.7 FTE decrease from the FY16 enacted funding of $6.1 million in OPP's funding and 324.8 FTE for protecting human health from pesticide risk. Similarly, the memo proposes cutting $4 million and 18 FTE from the $4.6 million in FY16 funding and 207.9 FTE for protecting the environment from pesticides.

Each of the cuts to OPP is explained with the following or similar language: "The President's Budget will include language to allow the pesticides program to use fees on a broader range of activities in the program, preventing a reduction or slowing in pesticide reviews. The program has nearly $30M of unspent fee carryover that can help support core work."

EPA's current authority for collecting fees is slated to expire in September 2017. The House recently approved the latest re-authorization bill, H.R. 1029, which would extend EPA's authority to collect the user fees through 2023. The bill awaits action in the Senate.

The budget memo indicates that the Trump administration is looking to these and future fees. "Sizable unobligated balances in EPA's FIFRA fee accounts are to be used to offset FY 2018 funding levels," the memo states. "Additionally, any potential additional fee collections from the upcoming reauthorization of PRIA could help offset reductions to the program."

The approach would continue an existing trend of Congress and administrations reducing OPP appropriations. Since 2004, the first year PRIA was in effect, appropriations for FTEs has dropped 25 percent, from $625.1 million in 2004 to $477.8 million in 2014 says Phil Klein, executive vice president of legislative and public affairs at Consumer Specialty Products Association (CSPA) in an April 3 interview with *Inside EPA*. The cuts have had a "significant and adverse impact" on OPP's ability to meet its registration deadlines for new pesticide products, Klein says.

'Stable Funding'

Nevertheless, the PRIA coalition -- companies and NGOs that support the program -- is urging Congress to pass the new bill re-authorizing PRIA. "The legislation that passed the House unanimously . . . H.R. 1029, provides stable funding for OPP for the next seven years, including $31 million in maintenance fees, $1 million in worker protection fees and $500,000 for efficacy guidelines. These are vital as we combat Zika, West Nile and Lyme disease in the U.S.," Klein says.

"We're projecting $16 to 18 million in registration fees. Over the seven years on top of that, there are two five percent bumps," Klein says, adding that the maintenance, worker protection and efficacy fees are separate and in addition to the registration fees.

In an industry where missing a growing season or a pest season can mean losing a year's income, those deadlines are very important for pesticide manufacturers. "You can't decimate EPA if you want [the pesticide industry] to grow and innovate," Klein says.

EPA's current authority, known as PRIA3, includes a trigger which requires that OPP's appropriated funding be set at at least $128 million in order to allow the agency to collect the registration fees authorized in PRIA. That same trigger remains in H.R. 1029, Klein says. But Klein notes that over the past few years, the PRIA Coalition have agreed when Congress waived the $128 million funding requirement -- even though it has not been met -- because funding cuts have threatened OPP's ability to do its work.

Industry has supported the waiver of the trigger because of the importance of EPA meeting its deadlines to register new products, Klein explains. "You're counting on that deadline to market your product."

Klein declined to comment on the changes outlined in the budget memo. But he added that the PRIA coalition will be active in advocating for OPP's funding with Congress. "Stable funding provides industry innovation predictability, provides EPA the FTEs it needs to do the job that industry and NGOs want, and protecting the public health," he says. "It's a win win win. That message will be heard loud and clear on capitol hill."

Toxics Programs

The memo indicates that the FY18 budget also proposes eliminating a number of programs in the toxics office, such as EPA's endocrine disruptor program, its lead risk reduction program and related grants, the pollution prevention program and a science policy and biotechnology program. The memo gives little explanation, but generally indicates that EPA should focus on statutory programs and highest priorities.

Regarding the endocrine program, the memo says that "funding for this mature program is eliminated. The principal goals for the program have been accomplished; for the remainder, program is to identify critical work and provide information on implications for inaction, and/or how and under what program it will be accomplished."

Elsewhere, the memo states that Bloom's office will schedule a meeting with the White House no later than June 15 "to discuss how EPA will integrate endocrine disruptor screening into its existing programs for risk assessment and risk regulation."

Reiterating the long-standing stance of Administrator Scott Pruitt, acting CFO Bloom says the agency's work will center on "our core legal requirements, federal-only and national efforts, providing support to states in implementing environmental laws, and easing regulatory burden." Many voluntary programs will also be eliminated, he says. "Non-core international efforts" are reduced, while "fee-based funding is encouraged."

An attachment to the memo lays out upcoming milestones for developing the final budget documents, setting a schedule that will see pre-dissemination review for acting assistant administrators to certify the documents by April 25. -- *Maria Hegstad* (mhegstad@iwpnews.com)

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